

SENATE BILL 90

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2003 Regular Session  
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By: **Senator Della**

Introduced and read first time: January 22, 2003  
Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: February 18, 2003

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Motor Vehicles - Certificate of Title - Rebuilt Salvage**

3 FOR the purpose of requiring that a certificate of title to a vehicle contain a  
4 conspicuous notation that the vehicle is "rebuilt salvage" whenever an insurance  
5 company's application for a salvage certificate for the vehicle contains a  
6 statement that the cost to repair the vehicle for highway operation was equal to  
7 or less than the fair market value of the vehicle prior to the vehicle sustaining  
8 damage; and generally relating to salvaged vehicles.

9 BY repealing and reenacting, without amendments,  
10 Article - Transportation  
11 Section 13-506(c)  
12 Annotated Code of Maryland  
13 (2002 Replacement Volume)

14 BY repealing and reenacting, with amendments,  
15 Article - Transportation  
16 Section 13-507  
17 Annotated Code of Maryland  
18 (2002 Replacement Volume)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Transportation**

2 13-506.

3 (c) (1) An insurance company shall apply for a salvage certificate on a form  
4 provided by the Administration for each vehicle titled in the State that is acquired as  
5 a result of a claim settlement arising from an accident that occurred in the State.

6 (2) The application under paragraph (1) of this subsection shall be  
7 accompanied by:

8 (i) The certificate of title of the vehicle;

9 (ii) A statement by the insurance company that:

10 1. The cost to repair the vehicle for highway operation is  
11 greater than the fair market value of the vehicle prior to sustaining the damage for  
12 which the claim was paid;

13 2. The cost to repair the vehicle for highway operation is  
14 equal to or less than the fair market value of the vehicle prior to sustaining the  
15 damage for which the claim was paid;

16 3. The vehicle is not rebuildable, will be used for parts only,  
17 and is not to be retitled; or

18 4. The vehicle has been stolen; and

19 (iii) A fee established by the Administration.

20 (3) Subject to the provisions of § 13-507(c)(2) of this subtitle, a salvage  
21 certificate issued under this paragraph shall contain a conspicuous notation by the  
22 Administration that describes which of the statements under paragraph (2)(ii) of this  
23 subsection applies to the vehicle.

24 13-507.

25 (a) (1) An application for a certificate of title of a vehicle for which a salvage  
26 certificate has been issued shall be made by the owner of the vehicle on a form that  
27 the Administration requires.

28 (2) An application under paragraph (1) of this subsection shall be  
29 accompanied by:

30 (i) Except as provided in subsection (c)(3) of this section, the  
31 salvage certificate for the vehicle;

32 (ii) A certificate of inspection issued by a county police department  
33 or the Department of State Police; and

1 (iii) A certificate of inspection as required under Title 23 of this  
2 article.

3 (3) (i) The Administration may establish a fee for an inspection under  
4 paragraph (2)(ii) of this subsection.

5 (ii) The fees collected under this paragraph shall be paid into the  
6 Vehicle Theft Prevention Fund established under Article 88B, § 74 of the Code.

7 (b) (1) The certificate of title issued by the Administration shall be:

8 (i) Issued in the name of the applicant; and

9 (ii) In a form as provided in this subsection.

10 (2) The Administration shall issue a certificate of title that contains a  
11 conspicuous notation that the vehicle is "rebuilt salvage" if the salvage certificate  
12 accompanying the application:

13 (i) ~~Bears~~ BEARS a notation under § 13-506(c)(2)(ii)1 OR 2 of this  
14 subtitle; ~~or~~

15 (ii) ~~[Does not bear a notation under § 13-506(c)(2)(ii)2 of this~~  
16 ~~subtitle] WAS ISSUED BEFORE OCTOBER 1, 1992, AND THE APPLICATION IS~~  
17 ~~ACCOMPANIED BY A STATEMENT IN WRITING FROM THE INSURANCE COMPANY~~  
18 ~~THAT THE COST TO REPAIR THE VEHICLE WAS EQUAL TO OR LESS THAN THE FAIR~~  
19 ~~MARKET VALUE OF THE VEHICLE PRIOR TO THE VEHICLE SUSTAINING DAMAGE.~~

20 (3) The Administration shall issue a certificate of title that does not  
21 contain a notation under paragraph (2) of this subsection if the salvage certificate  
22 accompanying the application [:

23 (i) Bears a notation under § 13-506(c)(2)(ii)2 of this subtitle;

24 (ii) Is issued before October 1, 1992 and the application is  
25 accompanied by a statement in writing from an insurance company that the cost to  
26 repair the vehicle was equal to or less than the fair market value of the vehicle prior  
27 to the vehicle sustaining damage; or

28 (iii) Is] IS issued for a vehicle that is more than 7 model years old.

29 (c) (1) When an insurance company makes a claim settlement on a vehicle  
30 that has been stolen, the company shall apply for a salvage certificate as provided in  
31 § 13-506(c) of this subtitle.

32 (2) On receipt of an application under this subsection, the  
33 Administration:

34 (i) Shall make the appropriate notation in its records; and

1 (ii) May not issue the salvage certificate until the vehicle is  
2 recovered.

3 (3) When a vehicle that has been stolen is recovered, the Administration  
4 shall:

5 (i) Issue a salvage certificate for the vehicle if the insurance  
6 company submits a certification under § 13-506(c)(2)(i)1, 2, or 3 of this subtitle; or

7 (ii) Issue a certificate of title in lieu of a salvage certificate if the  
8 insurance company states that the vehicle has not sustained damage or has sustained  
9 only minor damage.

10 (4) The provisions of subsection (b) of this section apply to a certificate of  
11 title issued under this subsection.

12 (5) A vehicle for which a certificate of title was issued under paragraph  
13 (3)(ii) of this subsection is exempt from the vehicle excise tax as provided in §  
14 13-810(a)(9) of this article.

15 (d) If the Administration receives an application for a certificate of title for a  
16 vehicle accompanied by an ownership document issued by another state containing a  
17 notation under the laws of the issuing state that the vehicle is in a condition that is  
18 substantially similar to a vehicle that is rebuilt salvage under Maryland law, the  
19 certificate of title issued by the Administration shall contain a similar notation.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
21 effect October 1, 2003.